

Margaret M. Fox

pfox@mcnair.net
T 803.799.9800
F 803.753.3278

April 26, 2017

The Honorable Jocelyn D. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210

Re: Application of WC Fiber, LLC for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Internet Protocol ("IP") Voice Services, and for Flexible Regulation of its Local Exchange Services and Alternative Regulation of its Interexchange Service Offerings Within the State of South Carolina
Docket No. 2017-83-C

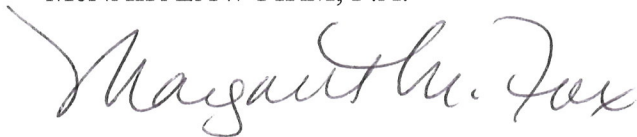
Dear Ms. Boyd:

Attached for filing on behalf of WC Fiber, LLC ("WC Fiber") please find the Direct Testimony of Jeff T. Wilson in the above referenced docket.

Thank you for your assistance in this matter.

Very truly yours,

McNAIR LAW FIRM, P.A.



Margaret M. Fox

MMF:khh

Enclosures

cc: All counsel of record (*w/Enclosures*)

McNAIR LAW FIRM, P.A.
1221 Main Street
Suite 1600
Columbia, SC 29201

Mailing Address
Post Office Box 11390
Columbia, SC 29211

mcnair.net

Application of WC Fiber, LLC for a Certificate)	
of Public Convenience and Necessity to Provide)	CERTIFICATE OF SERVICE
Facilities-Based and Resold Local Exchange and)	
Interexchange Internet Protocol (“IP”) Voice)	
Services, and for Flexible Regulation of its Local)	
Exchange Services and Alternative Regulation of)	
Its Interexchange Service Offerings Within the)	
State of South Carolina)	
)	

C. Lessie Hammonds
Office of Regulatory Staff
1401 Main St., Ste. 900
Columbia SC 29201

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2017-83-C

IN RE:

Application of WC Fiber, LLC, for a Certificate of)
Public Convenience and Necessity To Provide)
Facilities-Based And Resold Local Exchange and)
Interexchange Internet Protocol ("IP") Voice Services, and)
for Flexible Regulation of its Local Exchange Services and)
Alternative Regulation of its Interexchange Service)
Offerings Within the State of South Carolina)
_____)

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jeff T. Wilson. My business address is 229 Highway 28 Bypass, Abbeville, South Carolina 29620.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am Chief Executive Officer and General Manager of West Carolina Rural Telephone Cooperative, Inc. and its affiliated companies, including WC Fiber, LLC.

Q. PLEASE BRIEFLY OUTLINE YOUR EDUCATION, TRAINING, AND EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.

A. I joined West Carolina Rural Telephone Cooperative in April 2013 and have more than 38 years of experience in the telecom industry. Before joining West Carolina, I was Chief Executive Officer and General Manager of Dickey Rural Telephone Cooperative in Ellendale, North Dakota. I began my career in 1977 with Continental Telephone and later worked for Qwest in the state of Washington. I serve on the Board of Directors of

the National Rural Telecommunications Cooperative (NRTC) and on the Board of Directors for Spirit Communications.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING HERE TODAY AND WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am testifying on behalf of WC Fiber, LLC (“WCFIBER” or the “Applicant”). By its Application, WCFIBER seeks authority to provide facilities-based and resold local exchange and interexchange Internet Protocol (“IP”) voice services within certain areas of the State of South Carolina, pursuant to S.C. Code Ann. § 58-9-280(B), the rules and regulations of the Public Service Commission of South Carolina (“Commission”), and Section 253 of the Telecommunications Act of 1996. In addition, WCFIBER requests that the Commission regulate its local exchange services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. Pursuant to S.C. Code Ann. § 58-9-585 and the general regulatory authority of the Commission, WCFIBER also requests that the Commission regulate its interexchange service offerings as described below in accordance with the principles and procedures established for alternative regulation in Orders No. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Order No. 2001-997 in Docket No. 2000-407-C.

Q. PLEASE GIVE A BRIEF OVERVIEW OF WCFIBER.

WCFIBER is a private company that was organized in the State of South Carolina on May 15, 2015. Copies of Applicant’s Certificate of Existence and Articles of Organization were attached to the Application in this matter as Exhibit A. WCFIBER is a wholly-owned subsidiary of West Carolina Communications, LLC, which is a wholly-owned subsidiary of West Carolina Rural Telephone Cooperative, Inc., a South Carolina corporation, also

located at Highway 28 Bypass, Abbeville, SC 29620. West Carolina Rural Telephone Cooperative, Inc. is an incumbent local exchange carrier and has been providing local exchange service in South Carolina since 1952.

Q. WHAT AREAS DOES WCFIBER PROPOSE TO SERVE IN THE CURRENT APPLICATION?

A. Local IP voice services will be offered within the present operating areas of BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina (“AT&T”) and United Telephone Company of the Carolinas, Inc. d/b/a CenturyLink (“CenturyLink”). Interexchange IP voice services will be offered throughout the State of South Carolina.

Q. PLEASE DESCRIBE THE SERVICES WCFIBER PROPOSES TO OFFER IN SOUTH CAROLINA.

A. WCFIBER proposes to offer facilities-based and resold local exchange and interexchange IP voice services to business and residential customers. WCFIBER will offer voice services with custom calling and Voice over Internet Protocol (“VoIP”) features comparable to custom local area signaling services (“CLASS”) features, as well as bundled services such as local and long distance services in a combined package. WCFIBER will provide its customers with access to emergency call services (e.g., 911), directory assistance, and other ancillary services. WCFIBER also proposes to offer operator-assisted services to its pre-subscribed Customers. All services are available twenty-four (24) hours per day, seven (7) days a week. A more complete description of the local services WCFIBER proposes to offer in the State of South Carolina can be found in its proposed General Customer Services Tariff attached as Exhibit B to the Application in this matter. A more complete description of the interexchange and access services WCFIBER proposes

to offer in the State of South Carolina can be found in its proposed Message Telecommunications Services Tariff and Access Services Tariff, respectively, which are attached as Exhibit C and Exhibit D to the Application in this matter.

Q. DOES WCFIBER POSSESS SUFFICIENT TECHNICAL AND MANAGERIAL RESOURCES TO PROVIDE THE SERVICES FOR WHICH IT REQUESTS AUTHORITY?

A. Yes. WCFIBER possesses sufficient technical and managerial resources to provide the services for which it requests authority. WCFIBER's key management and technical personnel have significant business and telecommunications experience. WCFIBER's ultimate parent, West Carolina Rural Telephone Cooperative, has been providing traditional local exchange service in South Carolina since 1952. As previously described, I joined West Carolina Rural Telephone Cooperative in April 2013 and have more than 38 years of experience in the telecom industry. A list of other key personnel, and a selective summary of experience, is attached as Exhibit E to WCFIBER's Application.

Q. DOES WCFIBER POSSESS SUFFICIENT FINANCIAL RESOURCES TO PROVIDE THE PROPOSED SERVICES FOR WHICH IT REQUESTS AUTHORITY?

A. Yes, WCFIBER possesses sufficient financial resources to provide the proposed services. In support of the Company's financial ability to provide the proposed services, WCFIBER provided the consolidated financial statements of its parent company, West Carolina Rural Telephone Cooperative, as Exhibit F to its Application. The financial statements demonstrate that WCFIBER has the financial resources necessary to provide services in South Carolina.

Q. WILL GRANTING WCFIBER'S REQUEST SERVE THE PUBLIC INTEREST?

A. Yes. The public interest of the citizens of South Carolina will be served by granting this Application. First and foremost, WCFIBER will offer its customers the ability to have seamless service for local services as well as intrastate, interstate and international toll services. WCFIBER will enhance competition in the State of South Carolina by offering additional service options and high service quality to South Carolina telecommunications users. WCFIBER is a South Carolina-based company, with employees who live and work in South Carolina, contributing to the local economy.

Q. WILL THE SERVICE PROVIDED BY WCFIBER MEET ALL SERVICE STANDARDS THAT THE COMMISSION MAY ADOPT?

A. Yes, it will.

Q. WILL THE PROVISION OF SERVICE BY WCFIBER ADVERSELY IMPACT THE AVAILABILITY OF AFFORDABLE LOCAL EXCHANGE SERVICE IN SOUTH CAROLINA?

A. No. WCFIBER's local service will be provided in predominantly non-rural parts of South Carolina. The service provided by WCFIBER will not adversely impact the availability of affordable local exchange service in South Carolina.

Q. WILL WCFIBER ACTIVELY PARTICIPATE IN THE SUPPORT OF UNIVERSALLY AVAILABLE TELECOMMUNICATIONS SERVICE AT AFFORDABLE RATES?

A. Yes. To the extent it may be required to do so by the Commission, WCFIBER will participate in the support of universally available telecommunications services at affordable rates.

Q. IS WCFIBER REQUESTING FLEXIBLE REGULATION OF ITS LOCAL EXCHANGE SERVICE OFFERINGS?

- A.** Yes. WCFIBER requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In Docket Number 97-467-C, the Commission approved a rate structure that incorporated maximum rate levels with the flexibility for adjustment below the maximum rate levels. The Commission determined that local tariff filings would be presumed valid upon filing, subject to the Commission's right within thirty days to institute an investigation of a tariff filing and that any such tariff filings would be subject to the same monitoring process as similarly situated competitive local exchange carriers. WCFIBER submits that as a local exchange competitor it should be subject to regulatory constraints no greater than those imposed in Docket No. 97-467-C. WCFIBER therefore requests that its local exchange service tariff filings be regulated under this form of flexible regulation.

Q. IS WCFIBER REQUESTING ALTERNATIVE REGULATION OF ITS INTEREXCHANGE SERVICE OFFERINGS?

- A.** Yes. Pursuant to S.C. Code Ann. § 58-9-585 and the general regulatory authority of the Commission, WCFIBER requests that the Commission regulate its interexchange service offerings in accordance with the principles and procedures established for alternative regulation in Orders No. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Order No. 2001-997 in Docket No. 2000-407-C. In Docket No. 95-661-C in response to a Petition for Alternative Regulation by AT&T Communications of the Southern States, the Commission determined that there was sufficient competition in the market for

interexchange telecommunication services to justify a relaxation in the manner in which AT&T was regulated. The Commission determined that AT&T was not required to file maximum rates for long distance business service offerings and that its tariffs would be presumed valid upon filing, subject to the Commission's right within seven days to institute an investigation of the tariff filing. WCFIBER submits that as a competitor of AT&T in the market for providing telecommunication services to customers, it should not be subject to regulatory constraints greater than those imposed on AT&T. WCFIBER therefore requests that its interexchange business services offerings described in its proposed tariff be regulated under this form of relaxed regulation.

Q. DOES WCFIBER SEEK WAIVERS OF ANY APPLICABLE COMMISSION REGULATIONS WITH REGARD TO WCFIBER'S OPERATIONS IN SOUTH CAROLINA?

A. Yes. WCFIBER requests that the Commission grant it a waiver of certain regulatory requirements as follows:

- (a) WCFIBER requests that the Commission waive any rules or regulations that would require it to keep its financial records in conformance with the Uniform System of Accounts ("USOA"). As a competitive service provider, WCFIBER currently maintains its books and records in accordance with Generally Accepted Accounting Principles ("GAAP"). GAAP is used extensively by interexchange carriers and other competitive local exchange carriers. WCFIBER's use of GAAP will ensure that the Commission has a reliable method by which to evaluate WCFIBER's operations;
- (b) WCFIBER seeks a waiver of S.C. Code Ann. Regs. 103-631 so that it will not be

required to publish local exchange directories. To the extent required by Commission regulations and orders, WCFIBER will make arrangements with those incumbent LECs who are required to publish directories in areas where WCFIBER provides service, whereby the names of WCFIBER's customers will be included in any such directories. These directories will be distributed to WCFIBER's customers. This approach is reasonable and benefits customers of both WCFIBER and the incumbent LECs, as customers will be able to refer to a single directory for a universal listing of customer information; and

- (c) WCFIBER seeks a waiver of the map filing requirement of S.C. Code Ann. Regs. 103-612.2.3. WCFIBER's local service area will initially mirror the service areas of the incumbent local exchange carriers referenced in the Application. WCFIBER's interexchange services will be provided throughout the State of South Carolina.

Q. WHAT ACTION ARE YOU ASKING THE COMMISSION TO TAKE IN REGARD TO THIS APPLICATION?

- A. WC Fiber, LLC respectfully requests that the Commission approve its Application for a Certificate of Public Convenience and Necessity to permit it to provide local exchange and interexchange telecommunications service in the State of South Carolina, as described herein and in the Application in this matter, including Exhibits, which is incorporated herein by reference, and grant flexible and alternative regulation for those services as described above.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

- A. Yes, it does.